

December 21, 2000

APPLICATION OF ALLTEL CORPORATION) DOCKET NO. 00-01093
FOR APPROVAL OF A MERGER OF ITS)
SUBSIDIARY, 360 LONG DISTANCE, INC.,)
WITH AND INTO ITS SUBSIDIARY, ALLTELL)
COMMUNICATIONS, INC.)

This matter came before the Tennessee Regulatory Authority (“Authority”) upon the Application of ALLTELL Corporation (“ALLTELL”) for authority to merge one of its subsidiaries, 360 Long Distance, Inc. (“360 Long Distance”) with and into another of its subsidiaries, ALLTELL Communications, Inc. (“ACI”). The Application was filed on November 8, 2000.

In its Application, ALLTELL requests that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-112, a merger of its subsidiary 360 Long Distance with and into its subsidiary, ACI. This merger is intended to be executed on December 31, 2000. The Application states that ALLTELL is a Delaware corporation with two direct subsidiaries, ALLTELL Mobile Communications, Inc., and 360 Long Distance Communications Company. ACI is a subsidiary of ALLTELL Mobile Communications, Inc. and 360 Long Distance is a subsidiary of 360 Communications Company. ALLTELL acquired 360 Communications Company, and its subsidiary 360 Long Distance, on July 1, 1998 via a stock purchase. Since then, 360 Long Distance has been reselling long distance services to Tennessee customers under the name "ALLTELL."

ACI is a Delaware corporation with its principal place of business located in Little Rock, Arkansas. ACI requested and, by Order dated September 21, 1999 in Authority

Docket No. 99-00149, was granted certification to provide intrastate long distance service in Tennessee, as both a resale and facilities-based provider. ALLTELL has determined that it is in its best interest as well as that of its customers to merge 360 Long Distance with and into ACI. According to the Application, merging 360 Long Distance into ACI will allow ALLTELL to take advantage of operational efficiencies that better serve the public and enable ALLTELL to be more competitive and react quickly to changes in the long distance marketplace in Tennessee. The Application states that customers of 360 Long Distance will be transferred to ALLTELL as of December 31, 2000. The transaction, however, will be entirely transparent to the customers.¹ There will be no change in the subscribers' carrier ("ALLTELL"), and there will be no change to the customers' rates.

Requirement of Approval by the Authority

Authority approval of a merger involving public utilities holding certificates of public convenience and necessity is required under Tenn. Code Ann. § 65-4-112(a), which provides as follows:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights, and franchises by any such public utility with the property, rights and franchises of any other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

Findings

After careful consideration of the Application and of the entire record in this matter, the Hearing Officer finds and concludes:

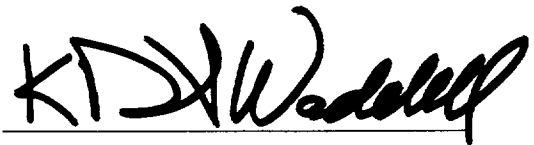
1. That the Authority has jurisdiction over the Application pursuant to Tenn. Code Ann. § 65-4-112;
2. That the merger will be consummated through an internal reorganization to take place on December 31, 2000;

¹ In addition to seeking approval of the merger, ALLTELL requests permission to transfer the customer base of 360 Long Distance to ACI. Because, as the Application states, "there will be no change in the subscribers' carrier ("ALLTELL"), and there will be no change to the customers' rates," Tennessee Regulatory Authority Rule 1220-4-2-.56, Verification of Orders for Changes of Long Distance Carriers, does not apply.

3. That both 360 Long Distance and ACI are authorized to provide and have been engaged in the business of providing telecommunications services in Tennessee;
4. That the entire assets and liabilities of 360 Long Distance will be transferred to ACI; and
5. That the proposed transfer is reasonable, does not violate the public interest, and should be approved.

IT IS THEREFORE ORDERED THAT:

1. The merger of 360 Long Distance, Inc. with and into ALLTELL Communications, Inc. is approved;
2. ALLTELL Communications, Inc. is authorized to assume the obligations and liabilities of 360 Long Distance, Inc. in order to effect this merger;
3. The certificate of public convenience and necessity granted to 360 Long Distance, Inc. will be cancelled as of December 31, 2000;
4. Any party aggrieved by this initial decision may file a Petition for Reconsideration with the Tennessee Regulatory Authority within fifteen (15) days from and after the date of this Order;
5. Any party aggrieved by the decision of the Executive Secretary in this matter may file a Petition for Appeal pursuant to Tenn. Code Ann. § 4-5-315 with the Tennessee Regulatory Authority within fifteen (15) days from and after the date of the Order. If the Tennessee Regulatory Authority or any of the parties herein do not seek review of this Initial Order within the time prescribed by Tenn. Code Ann. § 4-5-315, this Initial Order shall become a Final Order pursuant to Tenn. Code Ann. § 4-5-318(f).

A handwritten signature in black ink, appearing to read "K. David Waddell", is written over a horizontal line.

K. David Waddell, Hearing Officer